



## NEWS RELEASE

### **Barry Callebaut to buy a 60%-stake in KL-Kepong Cocoa Products Sdn Bhd from Kuala Lumpur Kepong Berhad in Malaysia**

- **Barry Callebaut to acquire from Kuala Lumpur Kepong Berhad a 60% stake in its wholly-owned subsidiary KL Kepong Cocoa Products Sdn Bhd (KLK Cocoa) to further expand its footprint in Asia**
- **KLK Cocoa is one of Asia's leading cocoa and chocolate manufacturers and has annual sales of RM 500 million (USD 150 million)**
- **Partnership will allow Barry Callebaut to tap into KLK Cocoa's strong local expertise and established cocoa business in Asia while KLK Cocoa will be able to leverage its business to a broader and global platform**

*Zurich, Switzerland / Kuala Lumpur, Malaysia, March 31, 2008.* – Barry Callebaut, the world's leading manufacturer of high-quality cocoa and chocolate products, and Kuala Lumpur Kepong Berhad (KLK), a Malaysia-based multinational company involved in plantations, manufacturing, retailing and property development, today announced that they have entered into an agreement whereby KLK will sell 60% of its wholly-owned subsidiary KLK Cocoa to Barry Callebaut. The transaction is subject to the approval of the Ministry of International Trade & Industry of Malaysia and is expected to close by the end of April 2008. KLK Cocoa will then change its name to Barry Callebaut Malaysia Sdn Bhd (Barry Callebaut). The experienced management team of KLK Cocoa will transfer to Barry Callebaut, and Barry Callebaut will assume responsibility for Barry Callebaut Malaysia. The partnership will allow Barry Callebaut to benefit from KLK Cocoa's strong local expertise and to tap into its established cocoa business in Malaysia while KLK Cocoa will be able to leverage its business to a broader and global platform.

#### **The start of a strong partnership**

The planned majority participation of Barry Callebaut in KLK Cocoa brings together two companies that complement each other with regard to strategy, geographic reach as well as product, service and customer portfolios. Patrick De Maeseneire, CEO of Barry Callebaut, said: "The chocolate market in Asia-Pacific is expected to grow by more than 30% in volume over the next four years (Source: Euromonitor), and we want to participate in this growth. With our rapidly growing chocolate business in Asia we have an equally growing need for cocoa products. In that regard Asia has been a blank spot on the map for us that we wanted to fill. The new presence in Malaysia will serve as a strong basis to us to further expand our footprint in Asia and to facilitate cocoa bean sourcing from neighbouring country Indonesia, which is the world's third largest producer of cocoa with a share of 15%. We are very pleased about the opportunity to enter into a strong partnership with KLK; one of the most reputable companies of Malaysia. This partnership will offer us access to an established business with a strong customer base led by an experienced management team."

Olivier Meurzec, Manufacturing Group CEO of Kuala Lumpur Kepong Berhad, said: "After years of strong growth in our cocoa business, with a clear focus on the top end of the quality spectrum, KLK's strategy has been to expand the business geographically and to move both upstream into securing cocoa bean supplies from West Africa, and further down the value chain towards chocolate. With our new partners, Barry Callebaut, we can achieve our strategic goals in one step. By joining forces, KLK Cocoa can join Barry Callebaut's global platform and benefit from Barry Callebaut's long-standing

chocolate expertise, while bringing a wealth of local know-how, as well as strong customer relationships to the joint venture. We look forward to this new partnership.”

**Access to local expertise and an established cocoa business in Asia for Barry Callebaut – access to a broad global platform for KLK Cocoa**

KLK Cocoa is a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad (KLK). Drawing on its core business, plantations, KLK has expanded downstream into resource-based manufacturing, in particular, oleochemicals, rubber processing and cocoa processing. KLK Cocoa was incorporated in 1990 and has gained a strong market position in high-quality cocoa and chocolate products. KLK Cocoa’s customers in Malaysia, Japan, India and Australia include multinational food manufacturers as well as food specialists that appreciate KLK Cocoa’s uncompromising quality and food safety standards. KLK Cocoa employs about 360 people and has annual sales of approx. RM500 million (USD 150 million).

KLK Cocoa’s state-of-the-art factory in Port Klang, located about 40 km west of Malaysia’s capital, Kuala Lumpur, has an annual capacity of 70,000 metric tonnes for cocoa products (cocoa liquor, cocoa powder, cocoa butter), and of 10,000 metric tonnes for the chocolate and compound. This makes it one of Asia’s leading cocoa manufacturers. KLK Cocoa’s services also include a Research & Development Center as well as prototype equipment, a pilot plant and an application test kitchen to facilitate development work. Product brands are KLK Cocoa, Selbourne and Mayer.

Barry Callebaut, a global company with European roots and more than 150 years of tradition and innovation, has been present in the Asia-Pacific region with a chocolate factory in Singapore since 1997. In 2007 the company signed an agreement with Morinaga of Japan to acquire a modern chocolate factory, coupled with a long-term supply agreement. In January 2008, Barry Callebaut opened a new chocolate factory and a Chocolate Academy in Suzhou near Shanghai, China. Furthermore, Barry Callebaut has sales offices in Tokyo, Japan, and in Mumbai, India.

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**About KLK: ([www.klk.com.my](http://www.klk.com.my))**

*The KLK Group is a global plantation and resource based manufacturing group with a market capitalisation of approximately RM17.4 billion (USD5.4 billion) as at 26 March 2008. Although plantation remains as the KLK Group’s core business, over the years KLK has integrated a downstream oleochemicals business and expanded into resourced based manufacturing to add value to its upstream operations. The KLK Group has also ventured into property development to further enhance the value of its land bank as many of its plantations are strategically located along potential population and commercial growth areas in Malaysia.*

*For the year ended 30 September 2007, the KLK Group recorded a profit before tax of RM886 million (approximately USD276 million<sup>1</sup>) on a turnover of RM5 billion (approximately USD1.6 billion), with its core business, plantation, contributing RM699 million (approximately USD218.4 million) or 79% of the profit before tax.*

*KLK is listed on the Main Board of the stock exchange of Malaysia, Bursa Malaysia Berhad (KLK).*

**About Barry Callebaut: ([www.barry-callebaut.com](http://www.barry-callebaut.com))**

*With annual sales of more than CHF 4 billion for fiscal year 2006/07 (as of August 31, 2007), Zurich-based Barry Callebaut is the world’s leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finished product on the store shelf. Barry Callebaut is present in 24 countries, operates about 40 production facilities and employs approximately 8,000 people. The company serves the entire food industry, from food manufacturers to professional users of chocolate (such as chocolatiers, pastry chefs or bakers), to global retailers. It also provides a comprehensive range of services in the fields of product development, processing, training and marketing.*

*Barry Callebaut is listed on the Swiss Exchange SWX (BARN).*

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<sup>1</sup> USD1.00 to RM3.20

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